

Stock code: 6792

**Unictron Technologies Corporation
and Subsidiaries**
**Consolidated Financial Statements With
Independent Auditors' Review Report**
For the Nine Months Ended September 30, 2024 and 2023

**Company Address: No.41 Shuei-Keng, Guan-Si, Hsin-Chu 30648 Taiwan
(R.O.C)
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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Unictron Technologies Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Unictron Technology Corporation (the "Company") and its subsidiaries (together referred to as the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2024 and 2023, the consolidated statement of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Unictron Technology Corporation and its subsidiaries as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2024 and 2023, the consolidated statement of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' report are Hsu, Shi-Chun and Tzu-Chieh Tang.

KPMG
Taipei, Taiwan (Republic of China)
October 30, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2024		December 31, 2023		September 30, 2023		
	Amount	%	Amount	%	Amount	%	
Assets							
Current assets:							
1100	Cash and cash equivalents (note 6(1))	\$ 524,417	27	382,556	18	233,718	11
1110	Financial assets at fair value through profit or loss—current (note 6(2))	1,832	-	3,945	-	-	-
1120	Financial assets at fair value through other comprehensive income—current (note 6(3))	216,565	11	248,390	12	216,156	11
1136	Financial assets at amortized cost—current (notes 6(4) and 8)	14,730	1	215,600	10	216,100	11
1170	Notes and accounts receivable, net (notes 6(5) and (18))	244,781	12	265,100	13	393,465	19
1180	Accounts receivable from related parties (notes 6(5)、(18) and 7)	14,809	1	8,114	1	10,035	1
1310	Inventories (note 6(6))	264,405	13	329,003	16	325,385	16
1410	Prepayments and other current assets	21,950	1	7,498	-	6,934	-
1460	Non-current assets held for sale (note 6(7))	186,321	10	-	-	-	-
	Total current assets	<u>1,489,810</u>	<u>76</u>	<u>1,460,206</u>	<u>70</u>	<u>1,401,793</u>	<u>69</u>
Non-current assets:							
1600	Property, plant and equipment (notes 6(8))	309,265	16	541,882	26	563,411	28
1755	Right-of-use assets (notes 6(9) and 7)	79,731	4	30,426	2	27,714	1
1780	Intangible assets (note 6(10))	10,877	1	6,321	-	3,379	-
1840	Deferred income tax assets	25,810	1	26,914	1	21,763	1
1915	Prepayments for equipment	41,553	2	12,836	1	12,101	1
1920	Refundable deposits	6,776	-	5,205	-	4,497	-
	Total non-current assets	<u>474,012</u>	<u>24</u>	<u>623,584</u>	<u>30</u>	<u>632,865</u>	<u>31</u>
	Total assets	<u>\$ 1,963,822</u>	<u>100</u>	<u>2,083,790</u>	<u>100</u>	<u>2,034,658</u>	<u>100</u>

(Continued)

See accompanying notes to consolidated financial statements.

Unictron Technologies Corporation and Subsidiaries**Consolidated Balance Sheets (continued)****September 30, 2024, December 31, 2023 and September 30, 2023****(Expressed in Thousands of New Taiwan Dollars)**

	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities:						
2100	Short-term borrowings (Note 6(11))	\$ 22,275	1	-	-	-
2120	Financial liabilities at fair value through profit or loss - current(Note 6(2))	-	-	13	-	5,317
2170	Notes and accounts payable	115,717	6	107,633	5	114,947
2180	Accounts payable - related parties (Note 7)	152	-	17	-	8
2219	Other payables (Note 6(19))	137,493	7	190,121	9	194,660
2220	Other payables - related parties (Note 7)	7,395	-	6,006	-	6,384
2230	Current income tax liabilities	-	-	10,447	1	2,480
2250	Provision for liabilities - current (Note 6(13))	249	-	182	-	353
2281	Lease liabilities-current (Note 6(12))	19,419	1	7,887	-	9,246
2282	Lease liabilities - related parties - current (Notes 6(12) and 7)	7,862	-	4,681	-	4,667
2300	Other current liabilities (Note 6(18))	<u>11,531</u>	<u>1</u>	<u>10,614</u>	<u>1</u>	<u>13,107</u>
	Total current liabilities	<u>322,093</u>	<u>16</u>	<u>337,601</u>	<u>16</u>	<u>351,169</u>
Non-current liabilities:						
2581	Lease liabilities non-current (Note 6(12))	30,105	2	5,360	-	77
2582	Lease liabilities - related parties - non-current (Notes 6(12) and 7)	22,570	1	11,952	1	13,127
2570	Deferred income tax liabilities	1,079	-	1,595	-	1,473
2640	Net defined benefit liabilities - non-current	<u>2,350</u>	<u>-</u>	<u>2,938</u>	<u>-</u>	<u>3,358</u>
	Total non-current liabilities	<u>56,104</u>	<u>3</u>	<u>21,845</u>	<u>1</u>	<u>18,035</u>
	Total liabilities	<u>378,197</u>	<u>19</u>	<u>359,446</u>	<u>17</u>	<u>369,204</u>
Equity (Notes 6(3) and (16))						
3110	Common stock	<u>478,753</u>	<u>24</u>	<u>478,753</u>	<u>23</u>	<u>478,753</u>
3200	Capital surplus	<u>690,174</u>	<u>35</u>	<u>690,174</u>	<u>33</u>	<u>690,174</u>
Retained earnings:						
3310	Legal reserve	164,693	9	145,073	7	145,073
3320	Special reserve	-	-	10,001	1	10,001
3350	Unappropriated earnings	<u>314,980</u>	<u>16</u>	<u>423,768</u>	<u>20</u>	<u>396,637</u>
		<u>479,673</u>	<u>25</u>	<u>578,842</u>	<u>28</u>	<u>551,711</u>
Other equity:						
3410	Exchange differences on translation of foreign operations	(1,714)	-	(927)	-	(452)
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>24,664</u>	<u>1</u>	<u>63,427</u>	<u>3</u>	<u>31,193</u>
	Total other equity	<u>22,950</u>	<u>1</u>	<u>62,500</u>	<u>3</u>	<u>30,741</u>
3500	Treasury stock	<u>(85,925)</u>	<u>(4)</u>	<u>(85,925)</u>	<u>(4)</u>	<u>(85,925)</u>
	Total equity	<u>1,585,625</u>	<u>81</u>	<u>1,724,344</u>	<u>83</u>	<u>1,665,454</u>
	Total liabilities and equity	<u>\$ 1,963,822</u>	<u>100</u>	<u>2,083,790</u>	<u>100</u>	<u>2,034,658</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Three Months Ended September 30				Nine Months Ended September 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Net revenue (Notes 6(18) and 7)								
	\$	327,094	100	412,809	100	939,978	100	1,084,519	100
5000	Operating costs (Notes 6(6), (8), (9), (10), (12), (14), (19), 7 and 12)								
		(231,516)	(71)	(247,091)	(60)	(663,797)	(71)	(680,650)	(63)
	Gross profit								
		95,578	29	165,718	40	276,181	29	403,869	37
	Operating expenses (Notes 6(5), (8), (9), (10), (12), (14), (19), 7 and 12):								
6100	Marketing expenses	(14,592)	(4)	(14,522)	(4)	(39,180)	(4)	(38,584)	(4)
6200	Administrative expenses	(30,881)	(9)	(39,963)	(10)	(83,957)	(9)	(90,122)	(8)
6300	Research and development expenses	(38,866)	(12)	(38,815)	(9)	(98,383)	(10)	(99,608)	(9)
6450	Expected credit impairment (loss) reversal benefit	222	-	(2,074)	-	3,369	-	(2,298)	-
6000	Total operating expenses	(84,117)	(25)	(95,374)	(23)	(218,151)	(23)	(230,612)	(21)
	Operating income	11,461	4	70,344	17	58,030	6	173,257	16
	Non-operating income and expenses (Notes 6(12), (20) and 7):								
7100	Interest income	406	-	1,009	-	3,046	-	4,242	-
7010	Other income	17,850	5	13,489	3	18,528	2	14,617	1
7020	Other gains and losses	(11,874)	(4)	4,357	1	(8,525)	(1)	2,526	-
7050	Finance costs	(777)	-	(391)	-	(1,368)	-	(2,322)	-
	Total non-operating income and expenses	5,605	1	18,464	4	11,681	1	19,063	1
	Income before income tax	17,066	5	88,808	21	69,711	7	192,320	17
7950	Less: Income tax expenses (Note 6(15))	(1,273)	-	(13,321)	(3)	(6,909)	-	(23,250)	(2)
	Net income	15,793	5	75,487	18	62,802	7	169,070	15
	Other comprehensive income (Note 6(16)):								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(47,209)	(14)	(10,033)	(2)	(31,983)	(4)	40,307	4
8349	Income taxes related to items that may not be reclassified	-	-	-	-	-	-	-	-
		(47,209)	(14)	(10,033)	(2)	(31,983)	(4)	40,307	4
8360	Items that may be subsequently reclassified to profit or loss								
8361	Exchange differences on translation of foreign operations	(1,723)	(1)	624	-	(787)	-	434	-
8399	Income taxes related to items that may be reclassified	-	-	-	-	-	-	-	-
		(1,723)	(1)	624	-	(787)	-	434	-
	Other comprehensive income of the period	(48,932)	(15)	(9,409)	(2)	(32,770)	(4)	40,741	4
	Total comprehensive income of the period	\$ (33,139)	(10)	66,078	16	30,032	3	209,811	19
	Earnings per share (Unit: NT\$, Note 6(17))								
9750	Basic earnings per share	\$	0.34	1.61		1.34		3.61	
9850	Diluted earnings per share	\$	0.34	1.60		1.33		3.58	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributed to owners of parent						Other equity items		Treasury stock	Total equity	
	Retained earnings					Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate d earnings						Total
Balance of January 1, 2023	\$ 478,753	690,174	117,973	1,236	497,809	617,018	(886)	(9,114)	(10,000)	(85,925)	1,690,020
Net income of the period	-	-	-	-	169,070	169,070	-	-	-	-	169,070
Other comprehensive income of the period	-	-	-	-	-	-	434	40,307	40,741	-	40,741
Total comprehensive income of the period	-	-	-	-	169,070	169,070	434	40,307	40,741	-	209,811
Appropriation and distribution of earnings:											
Legal reserve	-	-	27,100	-	(27,100)	-	-	-	-	-	-
Special reserve	-	-	-	8,765	(8,765)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(234,377)	(234,377)	-	-	-	-	(234,377)
Balance of September 30, 2023	\$ 478,753	690,174	145,073	10,001	396,637	551,711	(452)	31,193	30,741	(85,925)	1,665,454
Balance of January 1, 2024	\$ 478,753	690,174	145,073	10,001	423,768	578,842	(927)	63,427	62,500	(85,925)	1,724,344
Net income of the period	-	-	-	-	62,802	62,802	-	-	-	-	62,802
Other comprehensive income of the period	-	-	-	-	-	-	(787)	(31,983)	(32,770)	-	(32,770)
Total comprehensive income of the period	-	-	-	-	62,802	62,802	(787)	(31,983)	(32,770)	-	30,032
Appropriation and distribution of earnings:											
Legal reserve	-	-	19,620	-	(19,620)	-	-	-	-	-	-
Special reserve	-	-	-	(10,001)	10,001	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(168,751)	(168,751)	-	-	-	-	(168,751)
Disposal of financial Assets at fair value through other comprehensive income	-	-	-	-	6,780	6,780	-	(6,780)	(6,780)	-	-
Balance of September 30, 2024	\$ 478,753	690,174	164,693	-	314,980	479,673	(1,714)	24,664	22,950	(85,925)	1,585,625

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 69,711	192,320
Adjustments for:		
Income and expenses items		
Depreciation expenses	95,253	93,018
Amortization expenses	4,203	2,767
Expected credit impairment loss (reversal benefit)	(3,369)	2,298
Interest expenses	1,368	2,322
Interest income	(3,046)	(4,242)
Dividend income	(17,452)	(11,870)
Loss on disposal of property, plant and equipment	-	112
Total income and expenses items	76,957	84,405
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	2,113	25
Notes and accounts receivable	23,688	(136,664)
Accounts receivable - related parties	(6,695)	14,231
Inventories	64,598	47,500
Prepayments and other current assets	(4,997)	10,135
Total net changes in assets related to operating activities	78,707	(64,773)
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(13)	4,684
Notes and accounts payable	8,084	(826)
Accounts payable - related parties	135	(2)
Other payables	(55,037)	(61,203)
Other payables - related parties	1,389	3,082
Provision for liabilities	67	(924)
Other current liabilities	917	(3,562)
Net defined benefit liabilities	(588)	(504)
Total net changes in liabilities related to operating activities	(45,046)	(59,255)
Total net changes in assets and liabilities related to operating activities	33,661	(124,028)
Total adjustments	110,618	(39,623)
Cash inflows from operations	180,329	152,697
Interest received	3,079	4,252
Interest paid	(1,280)	(2,545)
Income taxes paid	(26,293)	(45,657)
Net cash inflows from operating activities	155,835	108,747

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Cash Flows (continued)
For the nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(95,511)	(95,340)
Disposal of financial assets at fair value through other comprehensive income	95,353	-
Acquisition of financial assets measured at amortized cost	200,870	-
Acquisition of property, plant and equipment (including prepayments for land and equipment)	(55,922)	(57,651)
Acquisition of intangible assets	(8,753)	(135)
(Increase) decrease in refundable deposits	(1,571)	269
Dividends received	17,452	11,870
Net cash inflows (outflows) from investing activities	151,918	(140,987)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	22,275	(86,720)
Principal repayment of leases	(18,634)	(16,610)
Distribution of cash dividends	(168,751)	(234,377)
Net cash outflows from financing activities	(165,110)	(337,707)
Effect of changes in exchange rates	(782)	435
Increase (decrease) in cash and cash equivalents of the period	141,861	(369,512)
Balance of cash and cash equivalents at beginning of period	382,556	603,230
Balance of cash and cash equivalents at end of period	\$ 524,417	233,718

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Unictron Technologies Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Nine Months Ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Unictron Technologies Corporation (hereinafter referred to as "the Company") was established on April 8, 1988 with the approval of the Ministry of Economic Affairs. Its registered office is at No.41 Shuei-Keng, Guan-SiHsin-Chu 30648 Taiwan (R.O.C). The principal business of the Company and its subsidiaries (hereinafter referred to as the "Group") is the manufacture and sale of electronic ceramic components, modules and system products and other electronic parts and components.

2. The date and procedure for the adoption of the financial statements

The consolidated financial reports were approved and issued by the Board of Directors on October 30, 2024.

3. Application of newly issued and amended standards and interpretations

(1) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024.

- Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1 "Non-current liabilities with contractual terms"
- Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"
- Amendments to IFRS 16 "Lease Liabilities in Sale and Leaseback"

(2) The impact if IFRS recognized by the FSC but not yet effective

The Group's assessment will be subject to the following newly revised IFRS that took effect on January 1, 2025, and will not have a significant impact on the consolidated financial report.

- IAS 21 "Lack of Exchangeability"

(3) Newly issued and amended standards and interpretations not recognized by the FSC

The standards and interpretations that have been issued and revised by the IAS Board, but have not yet been approved by the FSC may be relevant to the Group as follows:

<u>Newly released or revised standards</u>	<u>Main revisions</u>	<u>Effective date issued by the Board of Directors</u>
IFRS 18 "Presentation and Disclosures in Financial Statements"	The new standard introduces three categories of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three revisions and strengthened guidance on how to segment information in financial statements lay the foundation for providing users with better and more consistent information and will impact all companies.	January 1, 2027

(Continued)

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

Newly released or revised standards	Main revisions	Effective date issued by the Board of Directors
IFRS 18 "Presentation and Disclosures in Financial Statements"	<ul style="list-style-type: none"> ● More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses and losses will be classified into three new different categories based on the company's main operating activities. ● Management performance measurement (MPM): The new standard introduces the definition of management performance measurement and requires companies to explain, for each measurement indicator in a single note to the financial statements, why it provides useful information, how it is calculated, and how it combines the measurement indicator. Reconciled with amounts recognized under IFRS accounting standards. ● More granular information: The new standard includes guidance on how companies can enhance the grouping of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes. 	January 1, 2027

The Group is evaluating the impact of adopting the above standards or interpretations on its consolidated financial position and consolidated financial performance. The results will be disclosed after the Group completes the assessment.

The Group does not expect the following other newly issued and amended standards that have not yet been endorsed will have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosure"
- Amendments to IFRS 9 and amendments to IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

4. Summary of significant accounting policies

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34, interim Financial Reporting, as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except as described below, the significant accounting policies applied in the consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2023, and have been applied consistently to all periods in the consolidated financial statements. Refer to note 4 of the consolidated financial statements for the year ended December 31, 2023 for the details.

(2) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements include:

<u>Name of investor companies</u>	<u>Name of subsidiaries</u>	<u>Business nature</u>	<u>Percentage of shareholding</u>			<u>Description</u>
			<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
The Company	Unicom Technologies, Inc. (UTI)	Investment holdings	100.00%	100.00%	100.00%	
UTI	Unictron Technologies (Shenzhen) Co., LTD. (Original WirelessCom Technologies (Shenzhen) Co., Ltd.)	Design and marketing of antenna and modules for wireless communication	100.00%	100.00%	100.00%	
The Company	Unictron Technologies Vietnam Co., Ltd. (UTV)	Manufacturing and sales of antennas for wireless communications	100.00%	-	-	Note 1

Note 1: It is a newly established subsidiary in 2024.

2. Subsidiaries not included in the consolidated financial statements: None.

(3) Classification standards for distinguishing current and non-current assets and liabilities

The Group shall classify assets that meet one of the following conditions as current assets, and others shall be classified as non-current assets:

1. Expect to realize the asset during its normal operating cycle, or intend to sell or consume it;
2. the asset is held mainly for trading purposes;
3. realize the asset within twelve months after the reporting period; or
4. the asset is cash or cash equivalents (as defined in IAS 7), unless the asset is exchanged or used to settle liabilities at least twelve months after the reporting period.

The Group shall classify liabilities that meet one of the following conditions as current liabilities, and others shall be classified as non-current liabilities:

1. The liability is expected to be paid off within its normal operating cycle;
2. the liability is held mainly for trading purposes;
3. the liability is expected to be repaid when due within twelve months after the reporting period; or
4. there is no right to defer the settlement of the liability to at least twelve months after the reporting period at the end of the reporting period.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(4) Non-current assets held for sale

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale when it is highly probable that their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Prior to the initial classification as held for sale, the components of the asset or disposal group are measured in accordance with the Group's accounting policies. Subsequent to classification as held for sale, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses recognized upon initial classification as held for sale and subsequent gains or losses arising from remeasurement are recognized in profit or loss, provided that the gain does not exceed the cumulative impairment loss previously recognized. When intangible assets and property, plant, and equipment are classified as held for sale, they are no longer depreciated or amortized.

(5) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially-determined pension cost rate at the end of prior fiscal year, adjusted for significant market fluctuations subsequent to the end of prior fiscal year and for significant curtailments, settlements, or other significant one-time events.

(6) Income taxes

The Company measures and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense for the period is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate, and is recognized as current tax expense.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

5. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management reviews estimates and underlying assumptions on an ongoing basis, and changes in accounting estimates are recognized in the period of change and in the future period affected.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. Description of significant accounting items

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from the consolidated financial statements for the year ended December 31, 2023. For the related information please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023.

(1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and working capital	\$ 433	459	469
Demand deposits and checking deposits	464,943	323,554	173,799
Time deposits with original maturities of less than three months	59,041	58,543	59,450
	\$ 524,417	382,556	233,718

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(2) Financial assets and liabilities at fair value through profit or loss - current	September 30,	December 31,	September 30,
	2024	2023	2023
Financial assets at fair value through profit or loss - current:			
Forward foreign exchange contracts	\$ <u>1,832</u>	<u>3,945</u>	<u>-</u>
	September 30,	December 31,	September 30,
	2024	2023	2023
Financial liabilities at fair value through profit or loss - current:			
Forward foreign exchange contracts	\$ <u>-</u>	<u>13</u>	<u>5,317</u>

Please refer to 6(20) for the details of amounts recognized at fair value through profit or loss.

The Group entered into derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities and reported them as financial assets or liabilities at fair value through profit or loss because hedge accounting was not applicable. Details of the Group's outstanding derivative financial instruments at the reporting date is as follows:

September 30, 2024		
Contract amount (in thousands)	Currency	Maturity period
US\$ <u>4,500</u>	Buy NT\$ / Sell US\$	October 3, 2024~ February 5, 2025
December 31, 2023		
Contract amount (in thousands)	Currency	Maturity period
US\$ <u>5,250</u>	Buy NT\$ / Sell US\$	January 4, 2024~ May 6, 2024
September 30, 2023		
Contract amount (in thousands)	Currency	Maturity period
US\$ <u>5,832</u>	Buy NT\$ / Sell US\$	October 4, 2023~ January 18, 2024

(3) Financial assets at fair value through other comprehensive income - current	September 30,	December 31,	September 30,
	2024	2023	2023
Equity instruments at fair value through other comprehensive income:			
Domestic listed company shares	\$ <u>216,565</u>	<u>248,390</u>	<u>216,156</u>

The Group designated the above-mentioned equity investments as financial assets at fair value through other comprehensive income ("FVOCI") as these investments are held for strategic purposes and not for trading.

The Group sold equity instruments measured at fair value through other comprehensive income, with a fair value of NT\$95,353 thousand at the time of disposal. The cumulative disposal gain was NT\$6,780 thousand, which has been transferred from other equity to retained earnings.

For the nine months ended September 30, 2023, no strategic investments were disposed and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(4) Financial assets measured at amortized cost - current

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of \$ over three months	-	215,000	215,500
Pledged time deposits (Note 8)	14,730	600	600
	\$ 14,730	215,600	216,100

The Group assesses that the above assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely attributable to the payment of principal and interest on the principal amount outstanding. Therefore, they are therefore reported as financial assets at amortized cost.

Please refer note 8 for details of financial assets pledged and guaranteed by the Group as collateral.

(5) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable	\$ 246,583	270,172	398,663
Accounts receivable - related parties	14,809	8,114	10,035
	261,392	278,286	408,698
Less: Allowance for losses	(1,802)	(5,072)	(5,198)
	\$ 259,590	273,214	403,500

The Group uses a simplified approach to estimate expected credit losses for all notes and accounts receivable (including related parties), which represents that the expected credit losses are measured using the expected credit losses over the life of the instruments and are included in forward-looking information. The analysis of expected credit losses on notes and accounts receivable (including related parties) are as follows:

	September 30, 2024		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
Not past due	\$ 243,760	0.12%	302
Less than 30 days past due	15,205	2.57%	392
31 to 60 days past due	639	10.42%	67
61-90 days past due	766	28.63%	219
91-120 days past due	652	69.35%	452
Over 121 days past due	370	100.00%	370
	\$ 261,392		1,802

**Notes to consolidated financial reports of Unictron Technologies Corporation and
Subsidiaries (continued)**

	December 31, 2023		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
Not past due	\$ 253,023	0.17%	439
Less than 30 days past due	11,932	3.98%	475
31 to 60 days past due	7,956	9.54%	759
61-90 days past due	1,770	27.26%	483
91-120 days past due	2,147	67.94%	1,458
Over 121 days past due	1,458	100.00%	1,458
	\$ 278,286		5,072

	September 30, 2023		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
Not past due	\$ 372,037	0.12%	463
Less than 30 days past due	26,792	4.66%	1,250
31 to 60 days past due	4,047	12.49%	506
61-90 days past due	3,329	25.29%	842
91-120 days past due	1,174	69.71%	818
Over 121 days past due	1,319	100.00%	1,319
	\$ 408,698		5,198

The changes in allowance for losses on notes and accounts receivable (including related parties) are as follows:

	For the nine months ended September 30,	
	2024	2023
Balance, beginning of the period	\$ 5,072	2,917
Recognition (reversal) on impairment loss	(3,369)	2,298
Amounts written off as uncollectible during the year	-	(28)
Foreign currency translation losses	99	11
Balance, end of the period	\$ 1,802	5,198

(6) Inventories

1. Details of inventories as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 87,416	103,187	111,451
Work in process	114,009	131,011	137,934
Finished products	58,573	87,142	63,384
Goods	4,407	7,663	12,616
	\$ 264,405	329,003	325,385

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

2. Details of operating costs recognized in the current period is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Cost of inventories sold	\$ 226,993	230,737	653,784	650,589
Write-downs of inventories	4,523	8,415	2,943	22,122
Losses on scrap	-	7,939	7,070	7,939
	\$ 231,516	247,091	663,797	680,650

The above Write-downs of inventories are recognized as inventory losses due to the Group offsetting ending inventory to net realizable value, all of which are recognized under operating costs.

(7) Non-current assets held for sale

On September 6, 2024, the board of directors of the Company approved the sale of land and buildings located in Tucheng District, New Taipei City, with a book value of NT\$186,321 thousand. On the same day, the Company signed a sales contract with Shin-ya Electronics Enterprise Co., Ltd., with a total transaction amount of NT\$245,000 thousand (including tax). The Company listed the relevant assets under the non-current assets held for sale.

The aforementioned transaction will recognize the disposal gain when control of the assets is transferred to the buyer, which is expected to be completed by December 25, 2024.

**Notes to consolidated financial reports of Unictron Technologies Corporation and
Subsidiaries (continued)**

(8) Property, plant and equipment

Details of the changes in the cost of property, plant and equipment and accumulated depreciation are as follows:

	Land	Building and construction	Machinery equipment	Transportati on equipment	Office equipment	Other equipment	Total
Costs:							
Balance of January 1, 2024	\$ 259,080	112,489	340,770	7,932	13,424	167,593	901,288
Additions during the period	-	295	10,136	-	731	7,451	18,613
Disposal during the period	-	-	-	-	(33)	-	(33)
Reclassified from prepaid equipment	-	-	3,194	-	100	7,619	10,913
Reclassified to non-current assets held for sale (Note 6 (7))	(136,445)	(70,397)	-	-	-	-	(206,842)
Effect of changes in exchange rates	-	-	191	-	7	-	198
Balance of September 30, 2024	\$ 122,635	42,387	354,291	7,932	14,229	182,663	724,137
Balance of January 1, 2023	\$ 259,080	110,459	303,908	7,932	12,402	155,643	849,424
Additions during the period	-	2,030	28,041	-	1,115	10,260	41,446
Disposal during the period	-	-	(2,401)	-	(410)	-	(2,811)
Reclassified from prepaid equipment	-	-	10,142	-	-	128	10,270
Effect of changes in exchange rates	-	-	13	-	1	-	14
Balance of September 30, 2023	\$ 259,080	112,489	339,703	7,932	13,108	166,031	898,343
Accumulated depreciation:							
Balance of January 1, 2024	\$ -	37,865	210,636	7,027	9,465	94,413	359,406
Depreciation during the period	-	3,174	39,027	430	2,416	30,797	75,844
Disposal during the period	-	-	-	-	(33)	-	(33)
Reclassified to non-current assets held for sale (Note 6 (7))	-	(20,521)	-	-	-	-	(20,521)
Effect of changes in exchange rates	-	-	170	-	6	-	176
Balance of September 30, 2024	\$ -	20,518	249,833	7,457	11,854	125,210	414,872
Balance of January 1, 2023	\$ -	33,673	156,397	6,304	6,824	58,082	261,280
Depreciation during the period	-	3,017	43,928	569	2,140	26,684	76,338
Disposal during the period	-	-	(2,401)	-	(298)	-	(2,699)
Effect of changes in exchange rates	-	-	13	-	-	-	13
Balance of September 30, 2023	\$ -	36,690	197,937	6,873	8,666	84,766	334,932
Carrying amounts:							
September 30, 2024	\$ 122,635	21,869	104,458	475	2,375	57,453	309,265
January 1, 2024	\$ 259,080	74,624	130,134	905	3,959	73,180	541,882
September 30, 2023	\$ 259,080	75,799	141,766	1,059	4,442	81,265	563,411

**Notes to consolidated financial reports of Unictron Technologies Corporation and
Subsidiaries (continued)**

(9) Right-of-use asset

	Building and construction
Costs of right-to-use assets:	
Balance of January 1, 2024	\$ 102,283
Additions	68,830
Reduction	(66,637)
Effect of changes in exchange rates	(99)
Balance of September 30, 2024	<u>\$ 104,377</u>
Balance of January 1, 2023	\$ 100,706
Additions	627
Effect of changes in exchange rates	21
Balance of September 30, 2023	<u>\$ 101,354</u>
Accumulated depreciation of right-of-use assets:	
Balance of January 1, 2024	\$ 71,857
Depreciation	19,409
Reduction	(66,637)
Effect of changes in exchange rates	17
Balance of September 30, 2024	<u>\$ 24,646</u>
Balance of January 1, 2023	\$ 56,934
Depreciation	16,680
Effect of changes in exchange rates	26
Balance of September 30, 2023	<u>\$ 73,640</u>
Carrying amounts:	
September 30, 2024	<u>\$ 79,731</u>
January 1, 2024	<u>\$ 30,426</u>
September 30, 2023	<u>\$ 27,714</u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(10) Intangible assets

Details of the changes in the cost and accumulated amortization of intangible assets are as follows:

	Software purchased
Costs:	
Balance of January 1, 2024	\$ 29,317
Acquisition during the period	8,753
Effect of changes in exchange rates	64
Balance of September 30, 2024	<u><u>\$ 38,134</u></u>
Balance of January 1, 2023	\$ 25,319
Acquisition during the period	135
Effect of changes in exchange rates	5
Balance of September 30, 2023	<u><u>\$ 25,459</u></u>
Accumulated amortization:	
Balance of January 1, 2024	\$ 22,996
Amortization during the period	4,203
Effect of changes in exchange rates	58
Balance of September 30, 2024	<u><u>\$ 27,257</u></u>
Balance of January 1, 2023	\$ 19,307
Amortization during the period	2,767
Effect of changes in exchange rates	6
Balance of September 30, 2023	<u><u>\$ 22,080</u></u>
Carrying amounts:	
Balance of September 30, 2024	<u><u>\$ 10,877</u></u>
Balance of January 1, 2024	<u><u>\$ 6,321</u></u>
Balance of September 30, 2023	<u><u>\$ 3,379</u></u>

Amortization expenses of intangible assets are reported in the consolidated statement of comprehensive income as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Operating costs	\$ 99	187	331	569
Operating expenses	1,514	733	3,872	2,198
	<u><u>\$ 1,613</u></u>	<u><u>920</u></u>	<u><u>4,203</u></u>	<u><u>2,767</u></u>

(11) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings	<u><u>\$ 22,275</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Unused balance	<u><u>\$ 897,725</u></u>	<u><u>920,000</u></u>	<u><u>920,000</u></u>
Interest rate range	<u><u>5.66%-6.32%</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(12) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current:			
Related parties	\$ 7,862	4,681	4,667
Non-related parties	\$ 19,419	7,887	9,246
Non-current:			
Related parties	\$ 22,570	11,952	13,127
Non-related parties	\$ 30,105	5,360	77

For maturity analysis, please refer to Note 6(21) financial instruments.

The amounts recognized in profit or loss are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest expenses on lease liabilities	\$ 580	98	1,098	347
Short-term lease payments	\$ 219	954	1,219	2,657

The amounts recognized in the statement of cash flows are as follows:

	For the nine months ended September 30,	
	2024	2023
Total cash outflows from leases	\$ 20,951	19,614

1. Leases of building and construction

The Group leases building and construction for office, factory and warehouses, usually for periods of one to ten years. Among these leases, some of the warehouses leased by the Group have a lease term of one year. The leases are short-term leases and the Group has elected to apply the exemption from recognition and not recognize the related right-of-use assets and lease liabilities.

2. Other leases

Some of the office equipment leased by the Group have a lease term of one year. The leases are short-term leases and the Group has elected to apply the exemption from recognition and not recognize the related right-of-use assets and lease liabilities.

(13) Provision for liabilities - current

Provision for warranty liabilities:

	September 30, 2024	December 31, 2023	September 30, 2023
Provision for warranty	\$ 249	182	353

The provision for warranty liabilities is estimated based on the historical warranty information of similar products.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(14) Employee benefits

1. Defined benefit plans

Subsequent to December 31, 2023, there was no significant market volatility, significant curtailment, reimbursement and settlement or other significant one-time events. Therefore, the pension cost in the consolidated interim financial statements was measured and disclosed by the Group according to the pension cost valued by actuary as of December 31, 2023 and 2022.

Expenses recognized in profit or loss:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating costs	\$ 6	8	18	25
Operating expenses	2	3	6	8
	\$ 8	11	24	33

2. Defined contribution plans

Expenses recognized in profit or loss:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating costs	\$ 2,203	2,211	6,818	6,645
Operating expenses	1,627	1,452	4,755	4,370
	\$ 3,830	3,663	11,573	11,015

(15) Income taxes

1. The components of income tax expense were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Current income tax expense	\$ 1,273	13,321	6,909	23,250

2. There was no income tax expense recognized directly in equity or other comprehensive income for the nine months ended September 30, 2024 and 2023.

The Company's income tax return for the years through 2022 has been examined and approved by the R.O.C income tax authorities.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(16) Capital and other equity

1. Common stock

On September 30, 2024, December 31, 2023 and September 30, 2023, the Company's total authorized capital was NT\$800,000 thousand with a par value of NT\$10 per share and 80,000 thousand shares, of which 47,875 thousand shares were issued and the number of outstanding shares of the Company is 46,875 thousand shares.

2. Capital surplus

The balance of the Company's Capital surplus is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Premium on issuance of shares	\$ 666,183	666,183	666,183
Difference between actual acquisition of price and carrying amount of equity of subsidiaries	23,991	23,991	23,991
	\$ 690,174	690,174	690,174

Under the Company Act, Capital surplus must be used to cover losses before new shares or cash can be issued based on the realized Capital surplus in proportion to the shareholders' original shares. The realized Capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of Capital surplus that may be capitalized each year may not exceed 10% of the paid-in capital.

3. Retained earnings

(1) Legal reserve

If the Company has no deficit, it may issue new shares or cash from the legal reserve by resolution of the shareholders' meeting, provided that the amount of such reserve exceeds 25% of the paid-in capital. If the above is issued in cash, in accordance with the Company Act and the Company's Articles of Incorporation, the Board of Directors is authorized to resolve and report to the shareholders' meeting.

(2) Special reserve

In accordance with the regulations of the Financial Supervisory Commission, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity was set aside from current and prior-year earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(3) Earnings distribution and dividend policy

In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual final accounts, the Company shall first pay taxes to make up for prior years' deficits, and then set aside 10% of the legal reserve. After setting aside or reversing the special reserve as required by laws and regulations, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution if there are any earnings together with unappropriated earnings accumulated in previous years. If all or part of the dividends and bonuses payable are intended to be paid in cash, the Board of Directors is authorized to resolve and report to the shareholders' meeting.

The Company's dividend policy will depend on factors such as current and future development plans, investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, while taking the interests of shareholders and the Company's long-term financial planning into account. The Board drafts a profit distribution proposal for the distributable earnings above; of which, the distribution of shareholders' dividend bonuses of each year should not be less than 10% of distributable earnings for the year; however, where the accumulated distributable earnings are less than 10% of the paid-in share capital, the distribution may be exempted; when distributing the shareholders' dividend bonuses, such may be distributed in the form of cash or shares, and the cash dividends shall not be less than 10% of the total dividends; provided that the actual distribution percentage shall be handled pursuant to the resolution of the shareholders' meeting.

On February 27, 2024 and March 3, 2023, the Board of Directors resolved the cash dividends of earnings distribution proposals for 2023 and 2022 as follows:

	2023		2022	
	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:				
Cash dividend	\$ 3.60	168,751	5.00	234,377

The above information is available on the website MOPS.

4. Treasury stock

During the period from July to August 2022, the Company repurchased a total of 1,000 thousand shares of treasury stock in a total amount of NT\$85,925 thousand for the purpose of transferring shares to employees in accordance with Article 28-2 of the Securities and Exchange Act. As of September 30, 2024, December 31, 2023 and September 30, 2023 none of the shares had been transferred to employees or cancelled.

In accordance with the Securities and Exchange Act, treasury stock cannot be pledged and are not entitled to shareholders' rights until they are transferred. In addition, the percentage of number of shares repurchased by the Company shall not exceed 10% of the total number of shares issued by the Company. The total amount of shares repurchased shall not exceed the amount of retained earnings plus share premiums and realized Capital surplus.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

5. Other equity (net amount after tax)

	Exchange differences on translation of foreign operations	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Total
January 1, 2024	\$ (927)	63,427	62,500
Exchange differences arising from the translation of net assets of foreign operating institutions	(787)	-	(787)
Unrealized valuation gain on financial assets at fair value through other comprehensive income	-	(31,983)	(31,983)
Disposal of financial assets at fair value through other comprehensive income	-	(6,780)	(6,780)
September 30, 2024	<u>\$ (1,714)</u>	<u>24,664</u>	<u>22,950</u>
January 1, 2023	\$ (886)	(9,114)	(10,000)
Exchange differences arising from the translation of net assets of foreign operating institutions	434	-	434
Unrealized valuation gain on financial assets at fair value through other comprehensive income	-	40,307	40,307
September 30, 2023	<u>\$ (452)</u>	<u>31,193</u>	<u>30,741</u>

(17) Earnings per share

1. Basic earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net income attributable to equity holders of the Company's ordinary shares	<u>\$ 15,793</u>	<u>75,487</u>	<u>62,802</u>	<u>169,070</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>46,875</u>	<u>46,875</u>	<u>46,875</u>	<u>46,875</u>
Basic earnings per share (NT\$)	<u>\$ 0.34</u>	<u>1.61</u>	<u>1.34</u>	<u>3.61</u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

2. Diluted earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net income attributable to equity holders of the Company's ordinary shares	<u>\$ 15,793</u>	<u>75,487</u>	<u>62,802</u>	<u>169,070</u>
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	46,875	46,875	46,875	46,875
Effect of dilutive potential ordinary shares (in thousands):				
Effect of employee compensation	<u>113</u>	<u>229</u>	<u>171</u>	<u>384</u>
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	<u>46,988</u>	<u>47,104</u>	<u>47,046</u>	<u>47,259</u>
Diluted earnings per share (NT\$)	<u>\$ 0.34</u>	<u>1.60</u>	<u>1.33</u>	<u>3.58</u>

(18) Revenue from customer contracts

1. Breakdown of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Major regional markets:				
Taiwan	\$ 120,719	194,507	384,635	438,880
Mainland China	80,693	82,430	227,111	256,107
The U.S.	65,660	92,205	173,938	252,797
Others	<u>60,022</u>	<u>43,667</u>	<u>154,294</u>	<u>136,735</u>
	<u>\$ 327,094</u>	<u>412,809</u>	<u>939,978</u>	<u>1,084,519</u>
Major products and services:				
Electronic ceramic components	\$ 192,265	286,765	565,371	713,028
Module and system products	102,807	96,122	279,543	284,328
Other electronic parts and components	<u>32,022</u>	<u>29,922</u>	<u>95,064</u>	<u>87,163</u>
	<u>\$ 327,094</u>	<u>412,809</u>	<u>939,978</u>	<u>1,084,519</u>

2. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
	Notes and accounts receivable (including related parties)	\$ 261,392	278,286
Less: Allowance for losses	<u>(1,802)</u>	<u>(5,072)</u>	<u>(5,198)</u>
	<u>\$ 259,590</u>	<u>273,214</u>	<u>403,500</u>
	September 30, 2024	December 31, 2023	September 30, 2023
Contractual liabilities (included in other current liabilities)	<u>\$ 6,548</u>	<u>4,228</u>	<u>6,535</u>

Notes and accounts receivable (including related parties) and impairment loss are disclosed in Note 6(5).

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

The change in contract liabilities is mainly due to the difference between the point at which the Group transfers goods to customers to satisfy its contractual obligations and the point at which customers pay. The amounts of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the balances of contract liabilities on January 1, 2024 and 2023, were NT\$3,359 thousand and NT\$5,035 thousand, respectively.

(19) Employees' and directors' remuneration

Pursuant to the Articles of Incorporation, where the Company makes profits in a year, 10% to 15% should be provided as employees' remuneration and no more than 3% should be provided as directors' remuneration. However, where the Company has accumulated losses, the amount for compensation shall be set aside first. The recipients of stock or cash distribution for employees' remuneration in the preceding paragraph, may include the employees of the controlling or subordinate companies meeting certain conditions.

For the three months ended September 30, 2024, 2023 and for the nine months ended September 30, 2024 and 2023, the Company estimated its remuneration to employees amounting to NT\$1,912 thousand, NT\$9,951 thousand, NT\$7,811 thousand and NT\$21,549 thousand, respectively; the remuneration to directors amounting to NT\$144 thousand, NT\$746 thousand, NT\$586 thousand and NT\$1,616 thousand, respectively., which are estimated by multiplying the Company's income before income tax for each period prior to the deduction of employee and director compensation by the percentage of employee and director compensation to be distributed by the Company. Such amounts are reported as operating costs or operating expenses for each period. If the actual distribution amount differs from the estimated amount, the difference is accounted for as a change in accounting estimate and recognized as profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the estimated amounts of employee compensation were NT\$24,922 thousand and NT\$55,612 thousand, respectively; the estimated amounts of director compensation were NT\$1,869 thousand and NT\$2,781 thousand, respectively, which were the same as the amount resolved by the Board of Directors and were all paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(20) Non-operating income and expenses

1. Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 406	1,009	3,046	4,242

2. Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Dividend income	\$ 17,452	11,870	17,452	11,870
Subsidy income	-	15	-	525
Other income-others	398	1,604	1,076	2,222
	\$ 17,850	13,489	18,528	14,617

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

3. Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net foreign currency exchange gains(loss)	\$ (8,010)	6,074	1,944	7,938
Net gains (loss) on financial instruments at fair value through profit or loss	4,444	(1,644)	(2,100)	(4,709)
Loss on disposal of property, plant and equipment	-	(51)	-	(112)
Others	<u>(8,308)</u>	<u>(22)</u>	<u>(8,369)</u>	<u>(591)</u>
	<u>\$ (11,874)</u>	<u>4,357</u>	<u>(8,525)</u>	<u>2,526</u>

4. Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest expenses on bank loans	\$ (197)	(293)	(270)	(1,975)
Interest expenses on lease liabilities	<u>(580)</u>	<u>(98)</u>	<u>(1,098)</u>	<u>(347)</u>
	<u>\$ (777)</u>	<u>(391)</u>	<u>(1,368)</u>	<u>(2,322)</u>

(21) Financial instruments

Except as described below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For other relevant information, please refer to note 6(22) and (23) of the consolidated financial statements for the year ended December 31, 2023.

1. Types of financial instruments

(1) Financial assets

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss:			
Mandatory financial assets at fair value through profit or loss - current:	\$ 1,832	3,945	-
Financial assets at fair value through other comprehensive income-current	<u>216,565</u>	<u>248,390</u>	<u>216,156</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	524,417	382,556	233,718
Notes and accounts receivable (including related parties)	259,590	273,214	403,500
Financial assets measured at amortized cost - current	14,730	215,600	216,100
Refundable deposits	<u>6,776</u>	<u>5,205</u>	<u>4,497</u>
Subtotal	<u>805,513</u>	<u>876,575</u>	<u>857,815</u>
Total	<u>\$ 1,023,910</u>	<u>1,128,910</u>	<u>1,073,971</u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(2) Financial liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities at fair value through profit or loss	\$ -	13	5,317
Financial liabilities measured at amortized cost:			
Short-term borrowings	22,275	-	-
Notes and accounts payable and other payables (including related parties)	260,757	303,777	315,999
Lease liabilities (including current and non-current) (including related parties)	<u>79,956</u>	<u>29,880</u>	<u>27,117</u>
Subtotal	<u>362,988</u>	<u>333,657</u>	<u>343,116</u>
Total	<u>\$ 362,988</u>	<u>333,670</u>	<u>348,433</u>

2. Liquidity risk

Liquidity risk is the risk that the Group is unable to deliver cash or other financial assets to settle its financial liabilities and unable to meet its obligations. The Group manages liquidity risk by regularly monitoring its current and expected medium- and long-term capital requirements and by maintaining appropriate capital and banking facilities. On September 30, 2024, December 31, 2023 and September 30, 2023, the Group had unused borrowing facilities of NT\$897,725 thousand, NT\$920,000 thousand and NT\$920,000 thousand, respectively.

The following table illustrates the maturity analysis of the Group's financial liabilities with contractual repayment terms, which are based on the earliest possible date on which the Group could be required to make repayment and undiscounted cash flows.

	Contractual cash flow	Within one year	1 to 2 years	More than 2 years
September 30, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 22,802	22,802	-	-
Notes and accounts payable and other payables (including related parties)	260,757	260,757	-	-
Lease liabilities (including current and non-current) (including related parties)	<u>84,170</u>	<u>29,192</u>	<u>29,426</u>	<u>25,552</u>
	<u>\$ 367,729</u>	<u>312,751</u>	<u>29,426</u>	<u>25,552</u>
December 31, 2023				
Non-derivative financial liabilities:				
Notes and accounts payable and other payables (including related parties)	\$ 303,777	303,777	-	-
Lease liabilities (including current and non-current) (including related parties)	<u>30,454</u>	<u>12,870</u>	<u>7,794</u>	<u>9,790</u>
	<u>\$ 334,231</u>	<u>316,647</u>	<u>7,794</u>	<u>9,790</u>
Derivative financial instruments				
Forward foreign exchange contracts:				
Outflows	\$ 6,245	6,245	-	-
Inflows	<u>(6,232)</u>	<u>(6,232)</u>	<u>-</u>	<u>-</u>
	<u>\$ 13</u>	<u>13</u>	<u>-</u>	<u>-</u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

September 30, 2023

Non-derivative financial liabilities:

Notes and accounts payable and other payables (including related parties)	\$ 315,999	315,999	-	-
Lease liabilities (including current and non-current) (including related parties)	<u>27,575</u>	<u>14,146</u>	<u>4,913</u>	<u>8,516</u>
	<u>\$ 343,574</u>	<u>330,145</u>	<u>4,913</u>	<u>8,516</u>

Derivative financial instruments

Forward foreign exchange contracts:

Outflows	\$ 187,515	187,515	-	-
Inflows	<u>(182,198)</u>	<u>(182,198)</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,317</u>	<u>5,317</u>	<u>-</u>	<u>-</u>

The Group does not anticipate that the timing of the cash flows for the maturity analysis will be significantly earlier or that the actual amounts will be significantly different.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The Group's exchange rate risk arises mainly from cash and cash equivalents, accounts receivable (payable) (including related parties), other payables (including related parties) and bank loans that are not denominated in functional currencies, which result in foreign currency exchange gains or losses upon translation. The carrying amounts of monetary assets and liabilities that are not denominated in functional currencies at the reporting date (including monetary items eliminated in the consolidated financial statements that are not denominated in functional currency) and the related sensitivity analysis are as follows:

September 30, 2024					
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 9,506	31.650	300,865	1%	3,009
RMB	7,934	4.5133	35,809	1%	358
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,192	31.650	37,727	1%	377
RMB	170	4.5133	767	1%	8
December 31, 2023					
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 8,049	30.750	247,507	1%	2,475
RMB	7,397	4.3364	32,076	1%	321
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	459	30.750	14,114	1%	141
RMB	143	4.3364	620	1%	6

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

September 30, 2023					
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	10,168	32.270	328,121	1%
RMB		6,321	4.4182	27,927	1%
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		313	32.270	10,101	1%
RMB		177	4.4182	782	1%

(2) Exchange gains and losses on monetary items

Information on unrealized exchange gains and losses on monetary items is as follows:

	September 30, 2024		September 30, 2023	
	Unrealized exchange profits (losses)	Exchange rate	Unrealized exchange profits (losses)	Exchange rate
<u>Financial assets</u>				
USD:NTD	\$ (4,267)	31.650	7,048	32.270
RMB:NTD	454	4.5133	426	4.4182
<u>Financial liabilities</u>				
USD:NTD	748	31.650	(260)	32.270
RMB:NTD	-	4.5133	(7)	4.4182

4. Information on fair value

(1) Financial instruments not measured at fair value

The Group's management believes that the carrying amounts of the Group's financial assets and financial liabilities classified as measured at amortized cost in the consolidated financial reports approximate their fair values.

(2) Financial instruments measured at fair value

Financial instruments held by the Group at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The following table provides an analysis of financial instruments measured at fair value after initial recognition and is categorized into Levels 1 to 3 based on the degree of observability of the fair value. Each fair value hierarchy is defined as follows:

- A. Level 1: Publicly quoted prices (unadjusted) for identical assets or liabilities in active markets.
- B. Level 2: Inputs to the asset or liability that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), other than those included in Level 1 publicly available quotations.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

- C. Level 3: Inputs to the asset or liability that are not based on observable market data (unobservable parameters).

	September 30, 2024				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 1,832	-	1,832	-	1,832
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 216,565	216,565	-	-	216,565

	December 31, 2023				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 3,945	-	3,945	-	3,945
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 248,390	248,390	-	-	248,390
Financial liabilities at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 13	-	13	-	13

	September 30, 2023				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 216,156	216,156	-	-	216,156
Financial liabilities at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 5,317	-	5,317	-	5,317

5. Fair value measurement techniques used in measuring financial instruments at fair value

The estimates and assumptions used in estimating the fair value of derivative financial instruments approximate those used by market participants in pricing financial instruments, and such information is available to the Group. The fair value of forward foreign exchange contracts is generally based on current forward exchange rates.

The fair value of listed stocks with standard terms and conditions and traded in an active market is determined by reference to quoted market prices.

6. Transfer between fair value hierarchy

For the nine months ended September 30, 2024 and 2023, there was no transfer of financial assets and liabilities to the fair value hierarchy.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(22) Financial risk management

Both the goals and policies of the Group's financial risk management were not materially different from those disclosed in note 6(23) of the consolidated financial statements for the year ended December 31, 2023.

(23) Capital Management

There is no significant change in the goals and policies of Group's capital management from note 6 (24) of the consolidated financial statements for the year ended December 31, 2023.

(24) Investment and fund-raising activities for non-cash transactions

1. For the Group's acquisition of right-of-use asset through leases, please refer to Note 6(9) for details.
2. The reconciliation of liabilities from financing activities is as follows:

	January 1, 2024	Cash flow	Changes in non-cash		September 30, 2024
			Increase in lease liabilities	Change in exchange rate	
Short-term borrowings	\$ -	22,275	-	-	22,275
Lease liabilities (including related parties)	29,880	(18,634)	68,830	(120)	79,956
Total liabilities from financing activities	<u>\$ 29,880</u>	<u>3,641</u>	<u>68,830</u>	<u>(120)</u>	<u>102,231</u>

	January 1, 2023	Cash flow	Changes in non-cash		September 30, 2023
			Increase in lease liabilities	Change in exchange rate	
Short-term borrowings	\$ 86,720	(86,720)	-	-	-
Lease liabilities (including related parties)	43,107	(16,610)	627	(7)	27,117
Total liabilities from financing activities	<u>\$ 129,827</u>	<u>(103,330)</u>	<u>627</u>	<u>(7)</u>	<u>27,117</u>

3. Investing activities with only partial cash payments:

	For the nine months ended September 30,	
	2024	2023
Acquisition of property, plant and equipment	\$ 18,613	41,446
Add: Payable for equipment at the beginning of the period	2,216	15,851
Less: Payable for equipment at the end of the period	(4,537)	(8,264)
Add: Prepayments for equipment at the end of the period	41,553	12,101
Less: Prepayments for equipment at the beginning of the period	(12,836)	(13,753)
Add: Reclassified from prepaid equipment	10,913	10,270
Cash paid during the period	<u>\$ 55,922</u>	<u>57,651</u>

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

7. Related party transactions

(1) Parent company and ultimate controlling party

Darfon Electronics Corp. is the parent company of the Company and the ultimate controlling party of the group to which it belongs. It directly and indirectly owns 45.77% of the outstanding ordinary shares of the Company and has prepared consolidated financial statements for public use.

(2) Names and relationships of related parties

The related parties with whom the Group had transactions during the period covered by the consolidated financial reports are as follows:

Name of related parties	Relationship with the Group
Darfon Electronics Corp (Darfon)	The Group's parent company
Suzhou Darfon Electronics Corp (DFS)	A subsidiary of Darfon
Chongqing Darfon Electronics Corp (DFQ)	A subsidiary of Darfon
Darfon Vietnam Co., Ltd. (DFV)	A subsidiary of Darfon
Qisda Corporation (Qisda)	An individual who has significant influence on Darfon
Hitron Technologies (Hitron)	A subsidiary of Qisda
Hitron Technologies (Vietnam) (Hitron Vietnam)	A subsidiary of Qisda
Alpha Networks Inc. (Alpha Networks)	A subsidiary of Qisda
DFI Inc. (DFI)	A subsidiary of Qisda
Metaage Corporation (MTG)	A subsidiary of Qisda
BenQ Asia Pacific Corp (BQP)	A subsidiary of Qisda
ALPHA NETWORKS (Hong Kong) Limited (Alpha HK)	A subsidiary of Qisda

(3) Significant transactions with related parties

1. Net revenue

The significant amounts of sales to related parties are as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Parent company	\$ -	50	-	201
Other related parties	10,019	6,778	36,588	27,147
	<u>\$ 10,019</u>	<u>6,828</u>	<u>36,588</u>	<u>27,348</u>

The terms of the Group's sales to related parties are not significantly different from those of general sales. The credit period is 90 to 120 days on a monthly basis.

2. Purchase

The amounts of the Group's purchases from related parties are as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Parent company	\$ 143	7	251	20

The prices of the Group's purchases from the above related parties are not significantly different from the normal purchase prices; the payment terms are 90 days on a monthly basis, which are not significantly different from normal transactions.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

3. Leases

The Group leases its plant from its parent company Darfon at a rent that is based on the rental rate in the neighboring areas and is paid monthly. The Group recognized interest expense of NT\$42 thousand, NT\$55 thousand, NT\$136 thousand and NT\$177 thousand, For the three months and the nine months ended September 30 2024 and 2023, and had a lease liability of NT\$13,127 thousand, NT\$16,633 thousand and NT\$17,794 thousand on September 30, 2024, December 31, 2023 and September 30, 2023.

The Group leases its plant from its other related party DFV at a rent that is based on the rental rate in the neighboring areas and is paid monthly. In May 2024, the Group entered into a lease agreement with DFV and recognized a right-of-use asset and a lease liability of NT\$18,973 thousand. For the periods from April 1 to September 30, 2024, and from January 1 to September 30, 2024, the Group recognized interest expenses of NT\$290 thousand and NT\$491 thousand, respectively, and had a lease liability of NT\$17,305 thousand on September 30, 2024.

4. Dividend

For the three months ended September 30, 2024, 2023 and for the nine months ended September 30, 2024 and 2023, the amount of dividend income generated by the company's related parties' securities is as follows:

Item	Type of related parties	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2022
Other income	Parent company	\$ 8,200	6,150	8,200	6,150
Other income	Other related parties	3,432	5,720	3,432	5,720
		<u>\$ 11,632</u>	<u>11,870</u>	<u>11,632</u>	<u>11,870</u>

5. Operating costs and operating expenses

The Group incurred operating costs and operating expenses for miscellaneous purchases from related parties, inspection and testing, and apportionment of utilities, etc. as follows:

Item	Type of related parties	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
Operating costs	Parent company	\$ 3,103	3,443	7,255	7,079
Operating expenses	Parent company	1,609	1,821	5,991	1,919
Operating expenses	Other related parties	-	-	10	-
		<u>\$ 4,712</u>	<u>5,264</u>	<u>13,256</u>	<u>8,998</u>

6. Amounts due from related parties

The Group's receivables from related parties are summarized as follows:

Item	Type of related parties	September 30,	December 31,	September 30,
		2024	2023	2023
Accounts receivable - related parties	Parent company	\$ -	7	53
Accounts receivable - related parties	Other related parties	14,809	8,107	9,982
		<u>\$ 14,809</u>	<u>8,114</u>	<u>10,035</u>

Notes to consolidated financial reports of Umicron Technologies Corporation and Subsidiaries (continued)

7. Amounts due to related parties

The Group's payables to related parties are summarized as follows:

Item	Type of related parties	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable - related parties	Parent company	\$ 152	17	8
Other payables - related parties	Parent company	7,395	6,006	6,384
		\$ 7,547	6,023	6,392

(4) Key management compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Short-term employee benefits	\$ 9,405	16,213	31,975	43,115
Post-employment benefits	35	93	193	304
	\$ 9,440	16,306	32,168	43,419

8. Pledged assets

The carrying amounts of the assets pledged by the Group are as follows:

Name of assets	Subject of pledge	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (included in financial assets measured at amortized cost - current)	Performance Guarantees	\$ 14,130	-	-
Time deposits (included in financial assets measured at amortized cost - current)	Corporate credit card deposits	600	600	600
		\$ 14,730	600	600

9. Significant contingent liabilities and unrecognized contractual commitments: None.

10. Significant catastrophic losses: None.

11. Significant subsequent events: None.

12. Others

(1) Employee benefits, depreciation and amortization expenses by function are summarized as follows:

By nature	By function		For the three months ended September 30,			
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	63,538	48,547	112,085	64,315	62,581	126,896
Labor and health insurance expenses	5,633	4,260	9,893	5,473	4,581	10,054
Pension expenses	2,209	1,629	3,838	2,219	1,455	3,674
Other employee benefit expenses	3,732	1,580	5,312	3,296	1,295	4,591
Depreciation expenses	23,759	7,479	31,238	24,691	6,858	31,549
Amortization expenses	99	1,514	1,613	187	733	920

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

By function	For the nine months ended September 30,					
	2024			2023		
By nature	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	158,302	125,194	283,496	169,593	137,415	307,008
Labor and health insurance expenses	17,271	12,233	29,504	16,260	12,414	28,674
Pension expenses	6,836	4,761	11,597	6,670	4,378	11,048
Other employee benefit expenses	10,923	4,434	15,357	9,516	3,784	13,300
Depreciation expenses	72,990	22,263	95,253	73,258	19,760	93,018
Amortization expenses	331	3,872	4,203	569	2,198	2,767

(2) The Group's operations are not materially influenced by seasonality or cyclicity.

13. Notes disclosures

(1) Relevant information on significant transactions

The Group's information on significant transactions required to be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers For the nine months ended September 30, 2024 is as follows:

- Lending of funds to others: None.
- Endorsement and guarantee for others: None.
- Securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures):

Unit: thousand shares

Companies held	Type and name of securities	Relationship with the issuer of securities	Accounting subjects	End of period				Remarks
				No. of shares	Carrying amounts	Shareholding ratio	Fair value	
The Company	Qisda shares	Significant influence on the Group's parent company	Financial assets at fair value through other comprehensive income - current:	2,860	107,250	0.15%	107,250	-
The Company	Darfon shares	The Group's parent company	Financial assets at fair value through other comprehensive income - current:	2,050	101,783	0.73%	101,783	-
The Company	United Microelectronics Corporation shares	-	Financial assets at fair value through other comprehensive income - current:	140	7,532	-	7,532	-

- Cumulative purchases or sales of securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- Acquisition of properties amounting to at least NT\$300 million or 20% of the paid-in capital: None.

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

6. Disposal of properties amounting to at least NT\$300 million or 20% of the paid-in capital:

Unit: thousands of New Taiwan Dollars

Name of the company	Type of property	Transaction date	Acquisition date	Carrying amount	Transaction amount	Amount actually received	Gain (loss) on disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Plant	2024/09/06	2021/03/01	186,321	245,000 (Include tax)	Payment has not yet been collected	(Note)	Shin-ya Electronics Enterprise Co., Ltd.	-	Revitalize assets and increase the efficiency of capital utilization	Adopt the negotiation method and refer to the market conditions and the valuation report of the real estate appraiser	None

Note: Gains and losses on disposal are pending the transfer of control of the underlying assets to the purchaser

7. Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
9. Derivative transactions: Please refer to Note 6(2).
10. Business relationships and significant transactions between parent company and subsidiaries:

No. (Note 1)	Name of counterparties	Transaction targets	Relationship with counterparties (Note 2)	Transactions (Note 3)			
				Subject	Amount	Transaction terms	As a percentage of consolidated total operating revenues or total assets (Note 4)
0	The Company	Unictron Technologies (Shenzhen) Co., LTD.	1	Sales	15,013	150-day monthly settlement	1.60%
0	The Company	Unictron Technologies (Shenzhen) Co., LTD.	1	Accounts receivable	13,047	150-day monthly settlement	0.66%

Note 1: The numbering method is as follows:

- 1.0 represents the parent company.
2. Subsidiaries are numbered according to the company, starting with the number 1.

Note 2: The type of relationships with the counterparties is as follows:

1. Parent company to a subsidiary.
2. A subsidiary to parent company.
3. A subsidiary to a subsidiary.

Note 3: The business relationships and significant transactions between the parent and subsidiary are disclosed only for sales and accounts receivable, and the corresponding purchase and accounts payable are not further described.

Note 4: The amount of the transaction is divided by the consolidated operating revenue or consolidated total assets.

Note 5: Written off in the preparation of the consolidated financial statements.

(2) Relevant information on investees:

Information on the Company's re-investees for the nine months ended September 30, 2024 is as follows (excluding the investees in Mainland China):

Unit: thousand shares

Name of investor companies	Name of investees	Location	Main businesses	Original investment amount		Holding at the end of the period			Current Profit or loss of the investees	Investment profit or loss recognized during the period	Remarks
				End of the period	End of last year	No. of shares	percentage	Carrying amounts			
The Company	Unicom Technologies, Inc.	Mauritius	Investment holdings	47,321 (USD1,535)	47,321 (USD1,535)	1,535	100.00%	22,922	(3,222)	(3,222)	Subsidiary of the Company
The Company	Unictron Technologies Vietnam Co., Ltd. (UTV)	Vietnam	Manufacturing and sales of antennas for wireless communications	80,908 (USD2,500)	-	-	100.00%	76,374	(2,814)	(2,814)	Subsidiary of the Company

Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(3) Information on investment in Mainland China:

1. Name of the investee company in Mainland China, main businesses and other related information:

Name of investees in Mainland China	Main businesses Item	Paid-up capital	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Cumulative investment amount emitted from Taiwan at the end of the period	Investees Profit or loss for the period	Percentage of the Company's direct or indirect investment	Investment (loss) profit recognized during the period	Carrying value of investments at the end of the period	Investment income remitted or recovered as of the end of the period
					Remitted	Recovered						
Unictron Technologies (Shenzhen) Co., LTD.	Design and marketing of antenna and modules for wireless communication	46,589 (USD1,472)	(Note 1)	46,589 (USD1,472)	-	-	46,589 (USD1,472)	(3,188)	100.00 %	(3,188) (Note 2)	22,345	-

Note 1: Company established through third-party investments and reinvested in Mainland China.

Note 2: Recognized based on the financial statements of the investee company reviewed by the parent company's accountants in Taiwan.

Note 3: The above amounts in NTS were translated into NTS at the closing exchange rate of 31.65 on September 30, 2024.

2. Investment limit in Mainland China:

Company name	Cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment limit in Mainland China in accordance with the regulations of the Investment Commission, Ministry of Economic Affairs
The Company	46,589 (USD1,472)	46,589 (USD1,472)	951,375

3. Significant transactions with Mainland China investees:

Name of related parties	Relationship between the Company and its related parties	Transaction terms					Notes and accounts receivable (payable)		Unrealized loss (profit)
		Type	Amount	Price	Payment terms	Comparison with general transactions	Balance	Percentage	
Unictron Technologies (Shenzhen) Co., LTD.	Subsidiary indirectly controlled by the Company	Sales	15,013	Price negotiated between both parties	150-day monthly settlement	(Note 1)	13,047	5.11%	816
		Purchase	1,182	Price negotiated between both parties	90-day monthly settlement	No significant difference from general transactions	453	0.41%	-

(Note 1): The prices of the Company's sales to the related parties are not significantly different from the normal sales prices, except for some products with different specifications, which are not comparable to the normal transaction prices.

(4) Information on major shareholders

Names of major shareholders	Unit: shares	
	Shares	Shareholding percentage
Darfon Electronics Corp.	17,551,081	36.65%
Chengli Investment Co., Ltd.	4,361,375	9.10%

Note: The information of major shareholders in this table is calculated by CHEP on the last business day of the end of each quarter as the total number of ordinary shares held by shareholders of the Company that have been delivered without physical registration (including treasury shares), and the percentage is unconditionally rounded to two decimal places.

14. Department information

The Group is principally engaged in the manufacture and sale of electronic ceramic components, modules and system products and other electronic parts and components. The Group's operating decision-makers are based on overall operating results as the basis for evaluating performance therefore the combined company is a single department. The operating department information are the same as those disclosed of the consolidated financial statements for the nine months ended September 30, 2024 and 2023.